

## Message Text

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54

ACTION AF-08

INFO OCT-01 EUR-12 EA-07 ISO-00 EB-07 /035 W

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R 121526Z AUG 76

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 6308

INFO USDOC WASHDC

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TOKYO

LIMITED OFFICIAL UUE LAGOS 9295

E.O. 11652: N/A

TAGS: BENC: ENRG, NI

SUBJECT: MAJOR PROJECT FOLLOWUP: STATUS OF KADUNA REFINERY BID-  
DING

REF: TOKYO 3667

1; ACCORDING TO INDUSTRY SOURCE, FIVE OUT OF THE DOZEN FIRMS INVITED BY MINISTRY OF PETROLEUM RESOURCES ACTUALLY SUBMITTED BIDS OF 100,000 BARREL PER DAY KADUNA GRASSROOTS REFINERY AND LUBE OIL PLANT (FYI, COMBINED VALUE OF ABOUT 750 MILLION DOLLARS). THESE ARE CE LUMMUS, FOSTER WHEELER, BADGER, THYSSEN-FLUOR, AND THE JAPANESE CONSORTIUM COMPOSED OF CHIYODA ENGINEERING, ISHIKAWAJIMA HEAVY INDUSTRIES, AND JAPAN CONSULTANTS INSTITUTE. SOURCE SAID HE WOULD BE VERY SURPRISED IF THEY DID NOT THROW HAT IN RING ON KADUNA JOB WHEN THEY HAD BEEN ON FINAL SHORT LIST TOGETHER WITH SNAM PROGETTI OF ITALY FOR WARRI REFINERY CONTRACT.

2. OFFICERS OF THESE FIRMS WERE CALLED TO LAGOS TO DISCUSS THEIR BIDS WITH MPR IN JULY. MATTER APPARENTLY NOW BEFORE FEDERAL EXECUTIVE COUNCIL FOR REVIEW IN ORDER TO NARROW LIST DOWN TO TWO FINALISTS, AS WAS CASE WITH WARRI. MPR OFFICIAL IN CHARGE OF REFINERY PROJECTS TOLD EMBOFF MPR HOPES TO NOMINATE CONTRACTOR BY OCTOBER AT LATEST, HAVE FIRM BEGIN WORK IMMEDIATELY, AND GO  
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THROUGH FINAL SIGNING OF CONTRACT PERHAPS MONTH OR TWO LATER.

3. BOTH LUMMUS AND FOSTER WHEELER OFFICIALS HAVE TOLD EMBOFF THEY LUMP SUMMED FEW ITEMS, SUCH AS HOME OFFICE COSTS, IN THEIR BIDS, BUT NOT EQUIPMENT OR CONSTRUCTION COSTS. LUMMUS NOTED THERE SIMPLY TOO MANY UNKNOWNNS -- EXACT TYPE OF CRUDE INPUT NOT SETTLED, NOR FINAL SPECIFICATIONS: NOR EVEN FINAL SITE--TO EVEN BEGIN LUMP SUM ANALYSIS. MPR HAS APPARENTLY NOT RAISED LUMP SUM ISSUE AGAIN WITH COMPANIES.

4. AS SIDE NOTE, FOSTER WHEELER REPRESENTATIVE OFFERED OPINION THAT SPEEDUP OF TIMETABLE FOR KADUNA REFINERY MAY RESULT IN DECISION BY FEDERAL MILITARY GOVERNMENT TO DELAY OR ABANDON PLANS TO DOUBLE CAPACITY OF EXISTING 60,000 B/D PORT HARCOURT REFINERY. FOSTER-WHEELER SUBMITTED A PROPOSAL ON THIS PROJECT, BUT THINKS THAT AS THINGS NOW STAND PORT HARCOURT WORK COULD NOT BE COMPLETED BEFORE KADUNA REFINERYFINISHED, AND WITH KADUNA ON STREAM THERE MIGHT BE NO NEED FOR ADDITIONAL CAPACITY AT PORT HARCOURT.  
CAHILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REFINERIES, PROGRAMS (PROJECTS), PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760311-0207  
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**Office:** ACTION AF  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**TAGS:** BENC, ENRG, NI  
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